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TO RUEHC/SECSTATE WASHDC PRIORITY 4381

INFO RUCNIRA/IRAN COLLECTIVE PRIORITY

RUCNISL/ISLAMIC COLLECTIVE PRIORITY

RUEHLB/AMEMBASSY BEIRUT PRIORITY 0931

RUEHMO/AMEMBASSY MOSCOW PRIORITY 0678

RUEHTV/AMEMBASSY TEL AVIV PRIORITY 4766

RUEHJI/AMCONSUL JEDDAH PRIORITY 8322

RUEHJM/AMCONSUL JERUSALEM PRIORITY 4285

RUEKDIA/DIA WASHINGTON DC PRIORITY

RUEAIIA/CIA WASHDC PRIORITY

RHEHAAA/WHITE HOUSE WASHINGTON DC PRIORITY

RHEHNSC/NSC WASHDC PRIORITY

C O N F I D E N T I A L SECTION 01 OF 02 RIYADH 000318

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NEA/ARP FOR SWALKER/BSHUKAN

E.O. 12958: DECL: 02/15/2017

TAGS: PREL PGOV PINR ECON EPET RU SA

SUBJECT: UNOFFICIAL SAUDI REACTION TO PUTIN VISIT: CLEARLY

A SUCCESS

Classified By: Ambassador James C. Oberwetter for reasons 1.4 (b) and (d).

**¶1.** (U) Russian President Vladimir Putin concluded on February 12 a two-day visit to the Kingdom of Saudi Arabia -- the first ever by a Russian head of state. Described by some analysts as an "historic visit," Putin was accompanied by a delegation that included approximately 60 businessmen. The Saudi press hailed Putin's "maiden" visit as a success, and political, economic, and energy experts agreed that the visit would impact bilateral relations. Some Saudi contacts are speculating that Putin's government is seeking to support Saudi interest in nuclear power plants. Others think Russia is seeking to expand access to Saudi upstream gas business, building on Lukoil's gas production deal. Al-Riyadh newspaper commented in its February 12 edition that "Russia has various capabilities in agriculture, power, space technology, and industry," observing that experts in these fields were included in the Russian delegation.

**¶2.** (C) According to a working-level MFA contact, Putin's visit had been well-orchestrated, and cooperation agreements signed during the visit were hammered out in advance of his arrival. Septels will cover official reaction to the Russian president's visit to the Kingdom; however, Putin publicly stated Russia's intent to increase cooperation with the "Islamic world," and analysts and press widely anticipated discussions regarding regional issues -- including Iran's nuclear aspirations. In an interview with the Russian press agency, Custodian of the Two Holy Mosques King Abdullah bin Abdul Aziz noted the "important" role Russia plays in efforts aimed at resolving the Israel/Palestine conflict. He also stressed the importance of the bi-lateral relationship vis-a-vis regional issues during the February 12 Council of Minister's meeting. The Arabic press reported that Crown Prince Sultan and Putin discussed regional and international issues during their February 12 meeting, specifically mentioning the "Palestinian issue."

**¶3.** (C) Saudi Arabia and Russia also strengthened cultural and trade ties during the visit by signing a number of agreements. One agreement eliminates double taxation on income and capital. Another establishes air links between the two countries. Additionally, the Russians agreed to launch six Saudi-manufactured satellites -- five

communications and one remote sensing -- this year. Other agreements support cultural exchanges, development funds, and cooperation between Saudi and Russian state news agencies. During a meeting of Saudi and Russian businessmen, Putin discussed ways to enhance Saudi-Russian trade and said Russia is willing to cooperate with the Kingdom in areas such as nuclear energy, aerospace technology, railways, and the oil/gas sectors. President of the Riyadh Chamber of Commerce Abdul Rahman Al-Jeraisy told Acting DCM on February 12 that the Russians are also interested in upstream gas, real estate investments in both countries, and Saudi railway projects.

¶4. (C) The Saudi press -- both print media and television -- provided extensive coverage of the Putin visit, most of which was positive. Even discussions in Internet fora were enthusiastic about the visit. Local Saudi contacts noted that the "pomp and circumstance" associated with the visit was far more extensive than with any other high-level visitors in the recent past. Many expressed optimism regarding the visit, with some suggesting that expanded relations with Russia would lessen "U.S. dominance" in Saudi Arabia. Several private citizens envisioned that the appearance of another major world player on the regional scene would result in "more justice in dealing with Arab causes -- especially the Palestinian issue." This sentiment was echoed on several web postings. The Arabic newspaper Al-Riyadh commented on February 12 that, "We feel that the Russian tradition is not far from us...its traditions are closer to the East than the West." Nonetheless, some were suspicious of the Russians, recalling "Muslim and Arab 'martyrs'" in Chechnya.

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COMMENT

RIYADH 00000318 002 OF 002

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¶5. (C) According to our working-level MFA contacts, there were no "surprises" with the Putin visit. The Saudi press' positive coverage of the visit also comes as no surprise as it is largely directed by the SAG. However, the preliminary reaction of the Saudi public -- especially in the context of Putin's February 10 comments in Munich -- highlights the negative public perception many Saudis have conveyed regarding U.S. policies in the region. Additionally, with growing Saudi concern -- both public and private -- over Iran's stated nuclear goals -- it is interesting that there was little mention of the more troubling aspects of Russia's relationship with Iran. While it is possible that there is a general lack of understanding regarding the implications of that relationship, it is more likely that this is another public manifestation of Saudi dissatisfaction with U.S. policies in the region. END COMMENT.

OBERWETTER